

**RAPIDES AREA PLANNING COMMISSION**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 30 2013

# TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT .....	1-2
REQUIRED SUPPLEMENTAL INFORMATION (PART I)	
Management's Discussion and Analysis .....	3-5
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Assets .....	6
Statement of Activities .....	7
FUND FINANCIAL STATEMENTS	
Governmental Funds	
Balance Sheet .....	8
Statement of Revenues, Expenditures and Changes in Fund Balance .....	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	10
NOTES TO FINANCIAL STATEMENTS.....	11 - 15
REQUIRED SUPPLEMENTAL INFORMATION (PART II)	
Statement of Revenues, Expenditures and Changes in Fund Balances (Budget and Actual) .....	16
OTHER INFORMATION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	17 - 18
Schedule of Findings and Questioned Cost .....	19
Management's Corrective Action Plan .....	20
Schedule of Prior Year Findings and Questioned Cost.....	21 - 22

# **ROZIER, HARRINGTON & MCKAY**

## **CERTIFIED PUBLIC ACCOUNTANTS**

1407 PETERMAN DRIVE • ALEXANDRIA, LOUISIANA 71301

**JOHN B. ROZIER, IV, CPA**  
**MARN S. MCKAY, CPA**  
**LEE W. WELLS, CPA**  
**ANDREA L. RECHAL, CPA**  
**STEVEN E. KIRKALL, CPA**  
**RICHARD BISSON, CPA**  
**GEORGETTE VERCHER, CPA**

**MAILING ADDRESS**  
Post Office Box 12178  
ALEXANDRIA, LOUISIANA 71315-2178  
TELEPHONE (318) 442-1608

**MR. DALE HARRINGTON, CPA**  
**RETIRED - 2008**

November 7, 2012

### **Independent Auditors' Report**

To the Board of Commissioners  
Rapides Area Planning Commission

We have audited the accompanying basic financial statements of the governmental activities and each major fund of the Rapides Area Planning Commission, as of and for the year ended June 30, 2012, which collectively comprise the Planning Commission's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the management of the Rapides Area Planning Commission. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Rapides Area Planning Commission, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information listed in the accompanying table of contents are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have

**-Members-**

American Institute of Certified Public Accountants • Society of Louisiana CPAs

***Planning Commission***

***November 7, 2012***

***Page 2***

---

applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 7, 2012, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



ROZIER, HARRINGTON & ~~McKAY~~  
Certified Public Accountants

# **RAPIDES AREA PLANNING COMMISSION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2012**

---

This section of annual financial report presents our discussion and analysis of the Planning Commission's financial performance during the fiscal year ended June 30, 2012, along with certain comparative information for the previous year.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Planning Commission's financial position and results of operations from differing perspectives which are described as follows:

#### **Government -Wide Financial Statements**

The government-wide financial statements report information about the Planning Commission as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Planning Commission's assets and all of the Planning Commission's liabilities. All of the Planning Commission's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by grants and various fees.

#### **Fund Financial Statements**

Fund financial statements provide detailed information regarding the Planning Commission's most significant activities and are not intended to provide information for the Planning Commission as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Planning Commission's funds are Governmental Funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund use a modified accrual basis of accounting that provides a short-term view of the Planning Commission's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

### **FINANCIAL ANALYSIS OF THE PLANNING COMMISSION AS A WHOLE**

A comparative analysis of the government-wide Statement of Net Assets is presented as follows:

	For the Year Ended June 30,	
	2012	2011
<b><u>Assets:</u></b>		
Cash	\$ 324,758	\$ 255,485
Receivables	81,329	199,929
Depreciable capital assets, net	27,458	51,077
Total Assets	<u>433,545</u>	<u>506,491</u>

# **RAPIDES AREA PLANNING COMMISSION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2012**

---

	<b>For the Year Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>
<b><u>Liabilities:</u></b>		
Accounts Payable	20,459	9,942
Compensated Absences	36,679	36,702
Total Liabilities	<u>57,138</u>	<u>46,644</u>
<b><u>Net Assets:</u></b>		
Invested in Capital Assets	27,458	51,077
Unrestricted	348,949	408,770
Total Net Assets	<u>\$ 376,407</u>	<u>\$ 459,847</u>

As the presentation appearing above demonstrates, with the exception of \$27,458 invested in capital assets, the Planning Commission's net assets are unrestricted and may be used to meet the Planning Commission's ongoing obligations.

A comparative analysis of the government-wide Statement of Activities is presented as follows:

	<b>For the Year Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>
<b><u>Revenues:</u></b>		
Program Revenue:		
Charges For Services	\$ 1,137,088	\$ 1,120,967
Operating Grants and Contributions	—	183,617
Capital Grants and Contributions	—	—
General Revenue:		
Membership Dues	45,580	43,688
Other	1,706	4,432
Total Revenue	<u>1,184,374</u>	<u>1,352,704</u>
<b><u>Expenses:</u></b>		
Program Expenses:		
Metropolitan Area Transportation Planning	173,673	174,047
Transit Planning	53,684	53,755
Travel Demand Management	100,807	51,587
General Planning and Code Enforcement	939,650	1,006,047
Total Expenses	<u>1,267,814</u>	<u>1,285,436</u>
Excess (Deficiency) Before Special Items	(83,440)	67,268
Special Item: Loss on Impairment of Capital Assets	—	(98,551)
Change in Net Assets	(83,440)	(31,283)
Net Assets Beginning	<u>459,847</u>	<u>491,130</u>
Net Assets Ending	<u>\$ 376,407</u>	<u>\$ 459,847</u>

# **RAPIDES AREA PLANNING COMMISSION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2012**

---

As the accompanying presentation demonstrates, the Planning Commission has experienced a decline in net assets amounting to 18.1%. The primary reason for the decline is expenditure of funds that management expects to be eventually reimbursed by grant funds. At year end the anticipated grant funds did not meet criteria for including the expected grant proceeds in current revenue.

### **FINANCIAL ANALYSIS OF THE PLANNING COMMISSION'S FUNDS**

For the year ended June 30, 2012, differences between the government-wide presentation and the fund financial statements were limited to reporting equipment, related depreciation, and the liability for compensated absences in the government-wide presentation.

### **BUDGET HIGHLIGHTS**

State law requires the general fund to have a budget. For the year ended June 30, 2012, the budget was amended to address changes in the availability of grant funds.

### **CAPITAL ASSET ADMINISTRATION**

For the year ended June 30, 2012, capital assets activity was limited depreciating existing capital asset.

### **DEBT ADMINISTRATION**

For the year ended June 30, 2012, there was no debt activity and no debts are outstanding at year end.

### **FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS**

At the present time, no known issues are expected to have a significant impact on future operations.

# **Rapides Area Planning Commission**

## ***Statement of Net Assets***

***June 30, 2012***

	Governmental Activities
<b><u>ASSETS</u></b>	
Cash and Cash Equivalents	\$ 324,758
Receivables (net)	81,329
Capital Assets - Depreciable	27,458
<b>Total Assets</b>	<b>433,545</b>
<b><u>LIABILITIES</u></b>	
Accounts Payable	20,459
Compensated Absences	36,679
<b>Total Liabilities</b>	<b>57,138</b>
<b><u>NET ASSETS</u></b>	
Invested in Capital Assets	27,458
Unrestricted	348,949
<b>Total Net Assets (deficit)</b>	<b>\$ 376,407</b>

The accompanying notes are an integral part of the financial statements.



# **Rapides Area Planning Commission**

## **Statement of Activities**

**For the Year Ended June 30, 2012**

			Program Revenue			Net (Expenses)
		Indirect		Operating	Capital	Revenue and
	Expenses	Expense	Charges For	Grants and	Grants and	Changes in
		Allocation	Services	Contributions	Contributions	Net Assets
<b><u>Governmental Activities</u></b>						
<b>Public Safety</b>						
<b>Metropolitan Area Transportation</b>						
Planning	\$ 104,204	\$ 69,469	\$ 135,876	\$ -	\$ -	\$ (37,797)
Transit Planning	32,210	21,474	44,947	-	-	(8,737)
Travel Demand Management	60,484	40,323	100,000	-	-	(807)
General Planning and Code Enforcement	1,070,916	(131,266)	856,265	-	-	(83,385)
Total Governmental Activities	1,267,814	-	1,137,088	-	-	(130,726)
<b>General Revenues</b>						
						45,580
Membership Dues						1,706
Other						47,286
Total General Revenues and Special Items						(83,440)
Change in Net Assets						459,847
Net Assets - Beginning						\$ 376,407
Net Assets - Ending						

The accompanying notes are an integral part of the financial statements.

# **Rapides Area Planning Commission**

## **Balance Sheet - Governmental Funds**

**June 30, 2012**

	<u>General</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 324,758
Receivables	81,329
<b>Total assets</b>	<u>\$ 406,087</u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable	\$ 20,459
Other Liabilities	-
<b>Total liabilities</b>	<u>20,459</u>
<b>Fund Balance</b>	
Unassigned	385,628
<b>Total Fund Balances</b>	<u>385,628</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 406,087</u>

<u>Reconciliation of Governmental Fund Balance to Net Assets</u>	
Total Fund Balances - Governmental Funds	\$ 385,628
Amounts reported for governmental activities in the statement of net assets are different because:	
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet	(36,679)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	27,458
<b>Net Assets of Governmental Activities</b>	<u><b>\$ 376,407</b></u>

The accompanying notes are an integral part of the financial statements.

## **Rapides Area Planning Commission**

### ***Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds For the Year Ended June 30, 2012***

---

	<u>General</u>
<b><u>Revenues:</u></b>	
Intergovernmental	
Federal Grants	
Metropolitan Planning	\$ 135,876
Transit	44,947
Travel Demand Management	100,000
Other	1,462
Dues	45,580
Fees and Charges for Services	
Building Code Enforcement	849,286
Other Development Fees	5,517
Other	1,706
Total revenues	<u>1,184,374</u>
<b><u>Expenditures:</u></b>	
Current	
Metropolitan Area Transportation Planning	173,673
Transit Planning	53,684
Travel Demand Management	100,807
General Planning and Code Enforcement	916,054
Capital Expenditures	-
Total expenditures	<u>1,244,218</u>
Net Change in Fund Balances	(59,844)
Fund balance - Beginning of Year	<u>445,472</u>
Fund balance - End of Year	<u>\$ 385,628</u>

The accompanying notes are an integral part of the financial statements.

## **Rapides Area Planning Commission**

### ***Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities***

***For the Year Ended June 30, 2012***

---

Change in Fund Balances - Governmental Funds	\$	(59,844)
--	----	----------

Some transactions reported in the statement of activities do not require the use of current financial resources. According, a timing difference exist between when transactions affect the governmental funds and government-wide activities.

23

Capital outlays are reported in Governmental Funds as expenditures; however, in the Government-Wide Statement of Activities, the cost is reported as an asset and allocated over estimated useful lives as depreciation expense. Amounts reported as capital expenditures and depreciation expense are provided as follows:

Capital expenditures reported by Governmental Funds

Depreciation expense reported on a government-wide basis

	(23,619)	(23,619)
--	----------	----------

Change in Net Assets - Government-Wide Statement of Activities	\$	(83,440)
--	----	----------

The accompanying notes are an integral part of the financial statements.

# **RAPIDES AREA PLANNING COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS**

***June 30, 2012***

---

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

State law allows one or more political subdivisions to establish regional planning areas. The Rapides Area Planning Commission was formed by the joint action of the Rapides Parish Police Jury and various municipalities located within the Parish. The Planning Commission is governed by a Board of Commissioners composed of representatives appointed by the participating political subdivisions. Accounting and financial reporting policies utilized by the Planning Commission are described as follows:

#### **Financial Reporting Entity**

The Planning Commission is considered a legally separate stand-alone government as defined by Governmental Accounting Standards. The reporting entity is composed of the activities that are under the direct control of the Board of Commissioners. The Planning Commission is not financially accountable for any organizations that maintain separate legal standing; therefore, it has no component units.

#### **Basic Financial Statements**

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize all of the Planning Commission's operations as governmental activities. Governmental activities involve government services that are normally supported by fees and intergovernmental revenues.

The government-wide and fund financial statements present the Planning Commission's financial position and results of operations from differing perspectives which are described as follows:

#### **Government-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities display information about the Planning Commission as a whole. The effect of any interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services and most grants. Indirect expenses are allocated to programs based on detailed time and attendance record maintained by the Planning Commission's staff.

#### **Fund Financial Statements**

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The Planning Commission's major funds are limited the general fund, which is used for all operations.

# **RAPIDES AREA PLANNING COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2012**

---

### **Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<b><u>Financial Statement Presentation</u></b>	<b><u>Basis of Accounting</u></b>	<b><u>Measurement Focus</u></b>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of account and the current financial resources measurement focus, revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end or due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measure focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt is reported as an other financing source and repayment of long-term debt is reported as an expenditure.

### **Use of Estimates**

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Budget Practices**

The Planning Commission adopts a budget for each fiscal year as prescribed by State Law. Budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles.

### **Capital Assets**

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciated is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. A useful life of five to ten years is typically used.

# **RAPIDES AREA PLANNING COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2012**

---

### **Cash**

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk is managed by requiring fiscal agents to provide security for any deposits that exceed FDIC limits. Furthermore, interest rate risk is managed by limiting the duration of deposit arrangements.

### **Compensated Absences**

Permanent employees are eligible to receive paid vacation. Based on seniority, full time employees earn between 8 and 14 hours of vacation each month. In addition, employees are allowed to accumulate up to 160 hours of vested vacation benefits.

### **Indirect Expense Allocations**

Under the terms of various grant arrangements, the Planning Commission is eligible to receive reimbursement for direct labor and indirect costs that are based on a predetermined percentage of direct labor. Reimbursements earned as a result of applying the predetermined indirect costs rate are presented as indirect expense allocations in the accompanying Statement of Activities.

### **NOTE 2 - CASH**

Deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At June 30, 2012, the Rapides Area Planning Commission has \$322,528 in deposits (collected bank balance) and these deposits are secured by FDIC coverage.

### **NOTE 3 - RECEIVABLES**

At June 30, 2012, consisted entirely of amounts due from governmental sources, which are described as follows:

	<u>Service Fees</u>	<u>Grant Funds</u>	<u>Total</u>
Louisiana Department of Transportation and Development	\$ 76,197	\$ ---	\$ ---
Rapides Parish Police Jury	5,132	---	5,132
Governor's Office of Homeland Security and Emergency Preparedness	---	30,000	30,000
Total Receivables	81,329	30,000	111,329
Allowance for Uncollectible Balances	---	(30,000)	(30,000)
Receivables Net	<u>\$ 81,329</u>	<u>\$ ---</u>	<u>\$ 81,329</u>

# **RAPIDES AREA PLANNING COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2012**

---

### **NOTE 4 – CAPITAL ASSETS**

A summary of the Planning Commission's capital assets is provided as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<b><u>Capital Assets Being Depreciated:</u></b>				
Furniture, Fixtures and Equipment	\$ 214,589	\$ ----	\$ ----	\$ 214,589
Less Accumulated Depreciation	163,512	23,619	----	187,131
Total Net of Depreciation	\$ 51,077	\$ (23,619)	\$ ----	\$ 27,458

### **NOTE 5 – PAYABLES**

At June 30, 2012, accounts payable are limited to amounts due to vendors in the ordinary course of business.

### **NOTE 6 – ACCRUED LEAVE**

Long-term liabilities are limited to accrued leave earned by employees. Resources provided by the general fund are used to liquidate the accrued leave balances. Accrued leave balances and activity are presented as follows:

Beginning Balance	\$ 36,702
Net Increase (Decrease)	<u>(23)</u>
Ending Balance	<u>\$ 36,679</u>

### **NOTE 7 – GRANT COMPLIANCE CONTINGENCIES**

The Planning Commission receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

### **NOTE 8 - RISK MANAGEMENT**

The Planning Commission is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Planning Commission insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.



# **RAPIDES AREA PLANNING COMMISSION**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2012**

---

### **NOTE 9 - BOARD MEMBER COMPENSATION**

The Board of Commissioners is composed of volunteers that serve without compensation.

### **NOTE 10 - RETIREMENT PLAN**

Employees are eligible to participate in a defined contribution retirement plan. Under the terms of the plan, employees are allowed to contribute a portion of their compensation to the plan. In addition, the Planning Commission provides an employer match of up to 3% of the employee's compensation. Contributions for the year ended June 30, 2012 are summarized as follows:

Employee Contributions	\$ 32,967
Employer Match	<u>16,419</u>
Total Contributions	<u>\$ 49,386</u>

### **NOTE 11 - OPERATING LEASE**

The Planning Commission occupies a rented facility under the terms of a lease executed September 24, 2007. The lease requires annual rent in the amount of \$40,382 and includes provision for adjustments based on the Consumer Price Index. For the year ended June 30, 2012, rent expense amounted to \$44,218.

The lease agreement covers an initial term of two years that expired on September 30, 2009. In addition, the Planning District has options to renew the lease for two additional terms of two years each, with the final option period concluding September 30, 2013.

## **Rapides Area Planning Commission**

### ***Statement of Revenue, Expenditures and Changes in Fund Balance - Budget vs Actual***

#### ***General Fund***

***For the Year Ended June 30, 2012***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
<b>Intergovernmental</b>				
<b>Federal Grants</b>				
Metropolitan Planning	\$ 138,611	\$ 138,611	\$ 135,876	\$ (2,735)
Transit	46,600	44,947	44,947	-
<b>Hazard Mitigation</b>				
Rapides Parish Coliseum	42,500	17,121	1,462	(15,659)
Building Code Enforcement	65,000	82,500	-	(82,500)
Travel Demand Management	100,000	100,000	100,000	-
Beltway Study	100,000	-	-	-
Dues	50,043	50,044	45,580	(4,464)
<b>Fees and Charges for Services</b>				
Building Code Enforcement	1,008,600	941,608	849,286	(92,322)
Other Development Fees	13,225	3,322	5,517	2,195
Other	7,700	6,465	1,706	(4,759)
<b>Total revenues</b>	<u>1,572,279</u>	<u>1,384,618</u>	<u>1,184,374</u>	<u>(200,244)</u>
<b><u>Expenditures:</u></b>				
<b>Current</b>				
<b>Public Safety</b>				
Salaries	723,628	709,380	660,192	49,188
Payroll Taxes and Benefits	244,144	218,047	215,281	2,766
Lease Expense	51,000	46,470	44,218	2,252
General Insurance	16,296	16,400	15,333	1,067
Utilities and Communications	29,280	36,890	33,758	3,132
Office Supplies and Equipment	50,200	40,074	34,005	6,069
Software	56,500	56,500	45,602	10,898
Travel	87,000	88,000	82,896	5,104
Repairs and Maintenance	199,300	80,100	7,790	72,310
Other	565,831	712,757	105,143	607,614
<b>Capital Expenditures</b>	-	-	-	-
<b>Total expenditures</b>	<u>2,023,179</u>	<u>2,004,618</u>	<u>1,244,218</u>	<u>760,400</u>
<b>Net Change in Fund Balances</b>	<u>(450,900)</u>	<u>(620,000)</u>	<u>(59,844)</u>	<u>560,156</u>
<b>Fund balance - Beginning of Year</b>	<u>445,472</u>	<u>445,472</u>	<u>445,472</u>	<u>-</u>
<b>Fund balance - End of Year</b>	<u>\$ (5,428)</u>	<u>\$ (174,528)</u>	<u>\$ 385,628</u>	<u>\$ 560,156</u>

# **ROZIER, HARRINGTON & MCKAY**

## **CERTIFIED PUBLIC ACCOUNTANTS**

1407 PETERMAN DRIVE • ALEXANDRIA, LOUISIANA 71301

**JOHN S. ROZIER, IV, CPA**  
**MARY S. MCKAY, CPA**  
**LEE W. WELLS, CPA**  
**RYONDA L. RACHAL, CPA**  
**STEVEN E. KIRKALL, CPA**  
**RICHARD HESSON, CPA**  
**GEORGETTE VERCHER, CPA**

**MAILING ADDRESS**  
POST OFFICE BOX 12178  
ALEXANDRIA, LOUISIANA 71315-2178  
TELEPHONE (318) 442-1605

**M. DALE HARRINGTON, CPA**  
**RETIRED - 2009**

November 7, 2012

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Rapides Area Planning Commission

We have audited the financial statements of the Rapides Area Planning Commission, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 7, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the Planning Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Planning Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Planning Commission's internal control over financial reporting.


A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal, course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the Planning Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards, which is described in the accompanying schedule of findings and questioned costs as item 2012-1.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.



ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

# **RAPIDES AREA PLANNING COMMISSION**

## **SCHEDULE OF FINDINGS AND QUESTIONED COST**

**For the Year Ended June 30, 2012**

---

### **PART I - SUMMARY OF AUDITOR'S RESULTS:**

- The Independent Auditors' Report on the basic financial statements of the Rapides Area Planning Commission as of June 30, 2012 and for the year then ended expressed an unqualified opinion.
- The audit did not disclose any audit findings which are considered to be significant deficiencies in internal control or material weaknesses.
- The results of the audit disclosed an instance of noncompliance required to be reported in the Schedule of Findings and Questioned Cost.

### **PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:**

#### **2012-1: BUDGETING**

Unfavorable budget variances exceeded limits allowed by Louisiana Law due to unexpected problems collecting reimbursements due under a grant arrangement.

# **RAPIDES AREA PLANNING COMMISSION**

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

***For the Year Ended June 30, 2012***

<b>SECTION I</b> <b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.</b>	
<b><u>2012-1: BUDGETING</u></b> Unfavorable budget variances exceeded limits allowed by Louisiana Law due to unexpected problems collecting reimbursements due under a grant arrangement.	<b><u>2012-1: MANAGEMENT'S RESPONSE</u></b> The unfavorable budget variance was attributable to an extenuating circumstance involving a grant. Since this grant will not be available in the future, the issue is expected to be resolved automatically and no corrective action is necessary.
<b>SECTION II</b> <b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
No findings were reported in the schedule of findings and questioned costs.	Response - N/A
<b>SECTION III</b> <b>MANAGEMENT LETTER</b>	
No management letter was issued.	Response - N/A

# **RAPIDES AREA PLANNING COMMISSION**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS** **For the Year Ended June 30, 2012**

<b><u>SECTION I</u></b> <b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.</b>	
<b><u>2011-1: BUDGETS</u></b> Findings related to the amended budget for the year ended June 30, 2011 are described as follows: <ul style="list-style-type: none"><li>• Louisiana law requires budgets to be completed prior to conclusion of the fiscal year. However, the amended budget for the year ended June 30, 2011 was not adopted until July, 2011. In the future, management should take action to ensure that budgets are adopted within the required period of time.</li><li>• Unfavorable budget variances exceeded limits allowed by state law. The variance occurred because the budgeted revenue included grant funds that did not meet criteria for revenue recognition. Revenue recognition criteria were not met primarily because the grant funds were not collected within a sufficient period of time to be included in revenue for the fiscal year. In the future, budgeted revenue should exclude any grant funds that are speculative in nature.</li></ul>	<b><u>RESOLVED</u></b> Budget issues have been resolved with the exception of a remaining issue involving a single grant that is discussed in Finding 2012-1.
<b><u>SECTION II</u></b> <b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
No findings of this nature were reported.	Response - N/A
<b><u>SECTION III</u></b> <b>MANAGEMENT LETTER</b>	
<b><u>TRANSACTION APPROVAL</u></b> The Commission's policy for approving payments to vendors requires two parties to sign each check prior to sending the payment. Due to the limited availability of personnel authorized to sign checks, some payments were sent with a single signature. In order to ensure that future payments are properly approved, we suggest addressing this matter as follows: <ul style="list-style-type: none"><li>• Considered whether it is practical to continue requiring two signatures on each check.</li><li>• If requiring the additional signature is considered practical, the policy should be enforced without exception.</li></ul>	<b><u>RESOLVED</u></b> The Commission has resolved the previous finding by complying with the existing policy requiring two signatures on each check.

***Rapides Area Planning Commission***

***July 31, 2000***

***Page 2***

---

If obtaining the additional signature is not practical, alternative policies should be developed to ensure that transactions are approved by the proper level of management.

**ACCOUNTING SOFTWARE**

The Commission currently uses Quicken software for financial reporting purposes. The intended use of this product is to assist individuals and families with household recordkeeping and budgets. Due to its limitations, Quicken is not adequate for the accounting needs of political subdivision with numerous employees and an annual budget in excess of one million dollars. Accordingly, we suggest purchasing and implementing accounting software that is adequate for the commissions needs.

**RESOLVED**

The Commission has purchased and implemented suitable accounting software.